

MEETING #4 – January 14

At a Continued Meeting of the Madison County Board of Supervisors on January 14, 2013 at 7:30 p.m. in the Madison County Administrative Center Auditorium located at 414 N. Main Street:

PRESENT: J. Dave Allen, Chairman
Doris G. Lackey, Vice-Chair
Jerry J. Butler, Member
Pete J. Elliott, Member
Jonathon Weakley, Member
Ernie Hoch, County Administrator
V. R. Shackelford, III, County Attorney
Teresa Miller, Finance Director
Jacqueline S. Frye, Clerk of the Board

1. Continued Meeting Agenda

Chairman Allen called the meeting to order and noted that all members are present and a quorum was established.

2. Pledge of Allegiance & Moment of Silence

The Board of Supervisors commenced their meeting with the Pledge of Allegiance and a moment of silence.

Chairman Allen advised that tonight's agenda was agreed upon during the last meeting session; however, he suggested that Item 5 be moved to Item 2-a to accommodate the County Administrator's numbered Resolutions.

2-a. Resolution #2013-1 [Initiative to Establish an Entrance to Shenandoah National Park]

Chairman Allen advised a copy of Resolution #2013-1 was sent to all Board members for review and advisement.

Supervisor Lackey moved that the Board adopt Resolution #2013-1 [Initiative to Establish an Entrance to Shenandoah National Park] in support of opening a road into the Shenandoah National Park, seconded by Supervisor Weakley, with the following vote recorded:

J. Dave Allen	Aye
Doris G. Lackey	Aye
Jerry J. Butler	Aye

Pete J. Elliott	Aye
Jonathon Weakley	Aye

3. Consideration of CIP Funding [Resolution #2013-2]

Chairman Allen advised that a telephonic message was sent from the Madison County School Board to advise they did pass a Resolution at their meeting.

The County Attorney provided a summary of events regarding the proposed financing for various CIP projects to include school infrastructure (high school and middle school) along with County infrastructure items and the balance due on the indebtedness of the courthouse project, totaling \$1,000,000.00. Additionally, he advised the public hearing in December 2012 also focused on a proposed budget amendment that would be needed in order to fund the CIP projects and the courthouse refinancing. After the conclusion of the prior meeting, the County Administrator and representatives from VACo and VML have worked diligently to get everything in order. Although there were some issues with one potential bidder, the final bidder did offer the same rate of 2.15% as discussed at the December public hearing as the fixed rate, per annum, by a subsidiary of the Bank of America. In closing, he advised the amount to be financed will be \$10,765,000.00 (unsecured) and will be jointly structured by the IDA Boards of Stafford and Staunton, Virginia, and the security for the proposed debt will be the school's property (i.e. high school, middle school and acreage), which will be a part of a 'lease bond agreement' between the County. Additionally, both entities are knowledgeable regarding these types of financing and the school's property (high school, middle school and acreage) will be used as security for the debt incurred, which will be denoted as a 'lease bond' agreement between the County and school system.

The County Administrator advised there advised there may be a few grammatical errors; however, he feels these will be insignificant.

Chairman Allen thanked all parties involved in getting today's documentation in order.

Supervisor Weakley questioned if there was any nervousness about taking action tonight on this issue.

The County Attorney advised that he wanted to receive input from all council for accuracy and doesn't feel there will be any significant changes to the overall concept. In closing, he advised the Board will need to pass the Resolution related to CIP financing and then the Resolution to considering amending the FY2013 budget.

After discussion, on motion of Supervisor Weakley, seconded by Supervisor Lackey, the Board approved Resolution #2013-2 to consider financing for the CIP.

Supervisor Elliott verbalized concerns that tonight's document involves thirty-six (36) pages, which he hasn't had a chance to review before this moment, and he is also concerned that if the documentation is true to form.

Chairman Allen clarified that the County Attorney explained there will be no changes in the general concept of the loan documentation.

Supervisor Lackey advised the Board approved the overall concept several months ago and needs to move forward.

With the following vote recorded:

J. Dave Allen	Aye
Doris G. Lackey	Aye
Jerry J. Butler	Nay
Pete J. Elliott	Nay
Jonathon Weakley	Aye

4. Consideration of Amendment to FY2013 Budget [Resolution #2013-3]:

Chairman Allen advised the Resolution for adoption is to amend the FY2013 budget from \$33,750,767.00 to \$40,434,522.00.

The County Administrator advised that tonight's resolution represents the anticipated spending between now and the end of the FY2013 budget year, which will include a \$1,000,000.00 payment on the courthouse project. Additionally, the County will have \$5,673,755.00 which will represent three (3) of the twenty-one (21) items denoted in the MOU and will allow the County enough funding to spend on the HVA renovations for the middle school, high school, and the bleachers. The school board is close to awarding the proposal on replacement bleachers, but are still not yet ready to award a proposal on the HVAC renovations. He also advised tonight's action doesn't allocate any funding to the school board, but will be allocated into the County's budget and can be moved by the County by way of a resolution for use by the school board. In closing, he advised the amount of \$10,765,000.00 will be transferred to the County Treasurer's Office, subject to closing, and she will keep these funds separated and move them to an interest bearing account if desired; however, because these funds are greater than one percent (1%) of the County's total budget, a public hearing is required to amend the budget.

Supervisor Butler questioned if the proposed funding could be utilized to cover the County's costs for the Central Virginia Regional Jail.

The County Administrator advised the funds will be used to cover the final payment on the courthouse project and the remainder will be utilized for the CIP.

Supervisor Lackey moved that the Board approve Resolution #2013-3 to amend the FY2013 County Budget from \$33,750,767.00 to \$40,434,522.00, seconded by Supervisor Weakley, with the following vote recorded:

J. Dave Allen	Aye
Doris G. Lackey	Aye
Jerry J. Butler	Nay
Pete J. Elliott	Nay
Jonathon Weakley	Aye

Chairman Allen advised the Board will need to enter into a closed session and no action will be required.

The County Administrator advised the discussion will involve two (2) items only.

In closing, Chairman Allen advised that no action will be taken following the closed session and there are no other items on tonight's agenda that will require any action on behalf of the Board.

William Campbell was present and asked if public comment will be held during tonight's session, to which Chairman Allen advised isn't denoted on tonight's Agenda.

5. Closed Session

a. Closed Session:

On motion of Supervisor Butler, seconded by Supervisor Lackey, the Board convened in a closed session, pursuant to Virginia Code Section 2.2-3711(A)(7), pertaining to personnel matters, with the following vote recorded:

J. Dave Allen	Aye
Doris G. Lackey	Aye
Jerry J. Butler	Aye
Pete J. Elliott	Aye
Jonathon Weakley	Aye

b. Motion to Reconvene in Open Session:

On motion of Supervisor Butler, seconded by Supervisor Weakley, the Board reconvened in open session, with the following vote recorded:

J. Dave Allen	Aye
Doris G. Lackey	Aye
Jerry J. Butler	Aye
Pete J. Elliott	Aye
Jonathon Weakley	Aye

c. Motion to Certify Compliance:

On motion of Supervisor Butler, seconded by Supervisor Lackey, the Board voted to certify by roll call vote that only matters lawfully exempted from open meeting requirements pursuant to Virginia Code Section 2.2-3711(A)(1) and only matters that were identified in the motion to convene in a closed session were heard, discussed or considered in the closed meeting, with the following vote recorded:

J. Dave Allen	Aye
Doris G. Lackey	Aye
Jerry J. Butler	Aye
Pete J. Elliott	Aye
Jonathon Weakley	Aye

6. Information/Correspondence (if any)

Chairman Allen called for any information and/or correspondence.

PRA

Supervisor Weakley advised the PRA selection committee conducted interviews and plans to bring forth a candidate for the Manager position shortly.

Finance Director Vacancy

The County Administrator advised that he has interviewed potential candidates for the Finance Director vacancy and he has a candidate that he's ready to make an offer to. Furthermore, three (3) candidates were interviewed along with the Commissioner and the Treasurer – they concurred with the potential selection.

The County Administrator also advised the vacancy was advertised in December with VACo/VML's website, on Govtjobs.com website and in the Madison Eagle. A total of eight (8) resumes were received (although some weren't qualified) and three (3) candidates were interviewed. Although two (2) of the prospective candidates were qualified, they didn't appear to be a good fit for the County overall.

Supervisor Butler verbalized concerns that the potential candidates doesn't appear to have remained in past positions for a long period of time, to which the County Administrator advised some of those positions were contract assignments and the individual has relocated.

In closing, the County Administrator advised the potential candidate will be subject to a background check and all references have checked; he would like to offer the position contingent upon a six (6) month performance review with a starting salary at the low end of the scale (Grade 21-1 to Grade 21-7 [advertised at \$52,730 to \$61,160]). In closing, he advised the individual is almost complete with coursework to attain his degree.

Supervisor Butler suggested a change be implemented to the County's personnel policy to reflect that the Board will decide whether any future department head vacancies will be advertised. In closing, he still feels the Treasurer's Office and the Finance Department should be combined into one department.

Chairman Allen advised if there were any objections from the Board with today's request verbalized by the County Administrator, and there were none noted.

Mark Ford, Transfer Station Manager, was present and urged the Board to provide him and Roger Davis, Transfer Station Attendant, a 'fair shake.' Although both positions are being terminated, he hopes the County will pay each employee the 240 hours of

accumulated leave time, as per the County personnel policy, and that both will receive a severance package.

Chairman Allen advised discussions will transpire with the County Administrator; however, if both employees aren't satisfied with the severance package that will be presented, he urged Mr. Ford and Mr. Davis to ask to be placed on a future agenda to present concerns before the Board. In closing, he advised the County Attorney has advised the Board to allow the County Administrator to discuss this issue. Ford and Mr. Davis that the County Administrator will discuss any concerns and all documentation will be provided in writing. If there are any concerns that still remain, he suggested the Board be notified and the issue will be added to a future agenda for discussion.

Mr. Ford expressed thankfulness for his tenure with Madison County.

Mr. Davis verbalized concerns about issues pertaining to his VRS, as he will not receive the full benefit if his position is terminated prior to August 2013.

The County Attorney suggested the Board allow the County Administrator to discuss any issues with County staff and return his findings to the Board, if needed.

7. Adjournment:

With no further action being required, on motion of Supervisor Lackey, seconded by Supervisor Weakley, Chairman Allen adjourned the meeting, with the following vote recorded:

J. Dave Allen	Aye
Doris G. Lackey	Aye
Jerry J. Butler	Aye
Pete J. Elliott	Aye
Jonathon Weakley	Aye

J. Dave Allen, Chairman
Madison County Board of Supervisors

Jacqueline S. Frye, Clerk to the Board

Adopted on: March 12, 2013

Copies: J. Dave Allen, Doris G. Lackey, Jerry J. Butler, Pete J. Elliott, Jonathon Weakley, V. R. Shackelford, III & Constitutional Officers

Resolutions Adopted: January 14, 2013

1. *Resolution #2013-1 [Initiative to Establish an Entrance into Shenandoah National Park]*
2. *Resolution #2013-2 [Authorizing/Approving the Execution & Delivery of a Lease Revenue Bond to Provide for the Acquisition, Renovation & Financing of Certain Public Facilities (CIP) in a Maximum Principal Amount NTE \$10,765,000.00 and the Execution/Delivery of Certain Documents Prepared in Connection Therewith]*
3. *Resolution #2013-3 [Resolution to Amend the County Budget FY2013 from \$33,750,767.00 to \$40,434,522.00]*

ADDENDUM

RESOLUTION #2013-1

WHEREAS, Madison County's Comprehensive Plan includes an initiative to establish an entrance into Shenandoah National Park;

AND WHEREAS, Almost 84 years ago, President Herbert Hoover made a promise to Madison County that in consideration of the sacrifice of labor, money, hospitality, and the surrendering of private property, Madison County would have an entrance to the Park;

AND WHEREAS, That promise until now has not been honored;

AND WHEREAS, Madison County contributes one of the largest land areas of any Virginia county to the Park, with over 33,000 acres (more than 50 square miles), and is the only such Virginia county without an entrance into the Park;

AND WHEREAS, The road that the county helped improve in 1929 is still used and maintained and only a locked gate established by the Park Service near Hoover Camp blocks access to Big Meadows from Criglersville;

AND WHEREAS, This entrance represents a historical and important connection to Shenandoah National Park, and tells of the many lessons learned and the sacrifices made in its creation;

AND WHEREAS, This entrance will provide significant economic, historic and educational value to Madison County, The Commonwealth of Virginia, all citizens of the United States, and to the National Park Service and Shenandoah National Park in particular;

NOW, THEREFORE LET IT BE RESOLVED, that the Madison County Board of Supervisors, by the adoption of this resolution, requests that the National Park Service and the managers and stakeholders of Shenandoah National Park begin immediate action to re-establish entrance to the Park via route 649 the Quaker Run and Rapidan Road near Criglersville.

On motion of Supervisor Lackey, seconded by Supervisor Weakley, and with the affirmative vote of the full Board, the Board of Supervisors for Madison County, Virginia, hereby concurs in said Resolution and further directs that said Resolution be incorporated in the minutes of the Board of Supervisors and that a copy be sent to all interested parties and stakeholders.

Signed this 14th Day of January 2013

J. Dave Allen, Chairman, Madison County Board of Supervisors

Doris G. Lackey, Vice Chairwoman, Madison County Board of Supervisors

Jerry J. Butler, Madison County Board of Supervisor

Pete J. Elliott, Madison County Board of Supervisor

Jonathon R. Weakley, Madison County Board of Supervisor

Attested to by

Ernest C. Hoch, Madison County Administrator

SEAL

ADDENDUM

CERTIFICATE

The undersigned Clerk of the Board of Supervisors of Madison County, Virginia (the "Board"), hereby certifies that:

1. A meeting of the Board was duly called and held on January 14, 2013 (the "Meeting").
2. Attached hereto is a true, correct and complete copy of a resolution (the "Resolution") of the Board entitled "Resolution of the Board of Supervisors of Madison County, Virginia, Authorizing and Approving the Execution and Delivery of a Lease Revenue Bond to Provide for the Acquisition, Renovation and Financing of Certain Public Facilities, in a Maximum Principal Amount Not to Exceed \$10,765,000, and the Execution and Delivery of Certain Documents Prepared in Connection Therewith," as recorded in full in the minutes of the Meeting and duly adopted by a majority of the members of the Board present and voting during the Meeting.
3. A summary of the members of the Board present or absent at the Meeting, and the recorded vote with respect to the Resolution, is set forth below:

Member Name	Present	Voting			
		Absent	Yes	No	Abstaining
J. Dave Allen, Chairman	<u>X</u>	—	<u>X</u>	—	—
Doris G. Lackey, Vice-Chair	<u>X</u>	—	<u>X</u>	—	—
Jerry J. Butler	<u>X</u>	—		<u>X</u>	—
Pete J. Elliott	<u>X</u>	—		<u>X</u>	—
Jonathon Weakley	<u>X</u>	—	<u>X</u>	—	—

4. The Resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on the date hereof.

WITNESS my signature and the seal of Madison County, Virginia, dated January 14, 2013.

 Clerk of the Board of Supervisors of
 Madison County, Virginia
 (SEAL)

ADDENDUM**RESOLUTION #2013-2
OF THE BOARD OF SUPERVISORS OF
MADISON COUNTY, VIRGINIA**

AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A LEASE REVENUE BOND, TO PROVIDE FOR THE ACQUISITION, RENOVATION AND FINANCING OF CERTAIN PUBLIC FACILITIES, IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$10,765,000, AND THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS PREPARED IN CONNECTION THEREWITH

January 14, 2013

WHEREAS, the Board of Supervisors of Madison County, Virginia (the "County") has determined that it is necessary and advisable to obtain funds to (i) refund all or a portion of the outstanding principal amount of that certain indebtedness reflected by its Public Improvement Note, Series 2008 (the "2008 Note") and (ii) pay the costs for the renovation, rehabilitation, construction and equipping of its school facilities, including but not limited to heating and air conditioning systems, roof replacements, window, door and lighting upgrades, alarm and security systems, bleachers, parking improvements and ADA upgrades necessary for its facilities, and for general improvements at County facilities, together with related engineering, administrative and financing costs (collectively, "the Project");

WHEREAS, the County is authorized, pursuant to Section 15.2-1800 of the Code of Virginia of 1950, as amended, to lease property held by the County;

WHEREAS, the County duly held a public hearing on December 20, 2012 in order to proceed with the leasing of the Project pursuant to Section 15.2-26206 of the Code of Virginia of 1950, as amended;

WHEREAS, the County has previously submitted an application to the Virginia Municipal League/Virginia Association of Counties' Finance Program and the Industrial Development Authority of the County of Stafford and the City of Staunton, Virginia (the "Authority"), to obtain funds to pay the costs of Project, together with related costs and expenses (the "Financing"), and the Authority has indicated its willingness to assist with the Financing through the Banc of America Public Capital Corp ("Bank") in accordance with the terms of a Loan Agreement between the Authority and the County (the "Loan Agreement"), the form of which has been presented to this meeting;

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED by the Madison County Board of Supervisors:

1. **Authorization to Issue Bond and Enter into Leasing Arrangement; Use of Proceeds.** Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia of 1950, as amended, (the "Act"), and without regard to any requirements or restrictions contained in any charter or special act of the County, the Board of Supervisors (the "Board") provides for the issuance and sale of a public facility lease revenue bond (the "Bond") of the County in a maximum principal amount of \$10,765,000, to provide funds to finance the Project and to pay related costs, including costs incurred in issuing the Bond. The Board further authorizes County officials to enter into a leasing arrangement with the Madison County School Board to provide funds for the refunding of the 2008 Note, which is hereby authorized, and for payment of costs of the other elements of the Project.

2. **Approval of Leasing Arrangement.** The Board accepts the proposal of the Authority to enter into a leasing arrangement. The following financing plan is approved. The Bank will provide funds to finance the Project. The County will lease certain property and improvements, including a portion of the property on which the Project is located (namely, the property on which the Madison County High School and William H. Wetsel Middle School facilities are situated, the "Property") from the Madison County School Board and re-lease it to the School Board. A description of the Property to be leased is set forth as Exhibit B to this Resolution, which will be amended to specify the legal description of the Property. The Authority and the County will enter into a Loan Agreement, pledging the lease revenues from the School Board. The Authority will assign its interest to the Bank, and the County hereby approves and agrees to such assignment. The Madison County School Board will undertake to make payments of rent as specified in the Lease Agreement to the County, and the County will in turn make payments to the Bank, as assignee of the Authority, in amounts and at times and to pay such other amounts due under the Loan Agreement. Further, pursuant to the provisions of Va. Code Section 15.2-1800.1, the County declines, by this Resolution, any tenancy in common with the School Board with regard to the Property while the Loan Agreement, the Prime Lease or the Lease Agreement, each as defined below, are in effect.

3. **Approval of Loan and Lease Agreements.** The form of the Loan Agreement and the Bond submitted to this meeting and the forms of the following leases and assignment (collectively, the "Loan Documents") are hereby approved:

(a) a Prime Lease (the "Prime Lease") between the County and the Madison County School Board conveying to the County a leasehold interest in certain real property and improvements, including all or a portion of the property on which the Project is located (the "Property");

(b) a Lease Agreement (the "Lease Agreement") between the School Board and the County conveying a leasehold interest in the Property back to the School Board; and

(c) a Lease Assignment Agreement (the "Assignment Agreement") from the County to the Authority assigning certain rights of the County to the Property under the Prime Lease and the Lease Agreement to the Authority as security for the Bond.

The County Administrator and the Chairman of the Board are each authorized to execute the Loan Agreement in substantially the form presented at this meeting, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the County Administrator or the Chairman of the Board, whose approval shall be evidenced conclusively by the execution and delivery thereof. The issuance and sale of the Bond to the Authority shall be upon the terms and conditions of the Loan Agreement. The proceeds of the Bond shall be applied in the manner set forth in the Loan Agreement and related documents. All capitalized terms used but not defined herein shall have the same meaning as set forth in the Loan Agreement.

4. **Bond Details.** The Bond shall be issued as a single, registered bond, shall be designated "Public Facility Lease Revenue Bond" (the "Bond"), with an appropriate series designation, shall be numbered R-1, and shall be in substantially the form of Exhibit A to this Resolution as hereby approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officers signing such Bond. The Board authorizes the issuance and sale of the Bond on such terms as shall be satisfactory to the County Administrator or the Chairman of the Board; provided, however, that the Bond (a) shall be in a principal amount not exceeding \$10,765,000, (b) shall mature no later than November 1, 2027, and (c) shall bear interest on the outstanding principal balance thereof at a rate of interest approved by the County Administrator or the Chairman of the Board, but not to exceed 2.15% per annum (excluding any default payments or late payments that might arise). Subject to the preceding terms, the Board further authorizes the County Administrator or the Chairman of the Board to (a) determine the final principal amount of the Bond and (b) to establish the maturity date and principal amortization schedule (including the principal installment dates and amounts) for the Bond in such manner as the County Administrator or the Chairman of the Board shall determine to be in the best interest of the County. The County Administrator or the Chairman of the Board's approval of the final terms, purchase price, initial interest rate, interest rate adjustment provisions, maturity date and amortization schedule of the Bond shall be evidenced by the execution and delivery of the Bond, and no further action shall be necessary on the part of the County. The principal of and premium, if any, and interest on the Bond shall be payable in lawful money of the United States of America.

5. **Execution and Form of Bond.** The Bond shall be signed by the County Administrator or the Chairman of the Board, and the County's seal shall be affixed thereon and attested by the Clerk of the Board. The Bond shall be issued as a typewritten bond in a form sufficient to evidence the County's obligations under the Loan Agreement, consistent with the terms of this Resolution, and approved by the County Administrator or the Chairman of the Board, whose approval shall be evidenced conclusively by the execution and delivery of the Bond.

6. **Payment and Redemption Provisions.** The obligations for payment under the Loan Agreement shall be payable as set forth in the Loan Agreement. The County may, at its option, prepay or refund the Bond consistent with the provisions set forth in the Loan Agreement.

7. **Security for Bond; Subject to Appropriation.** The Bond shall be secured by rental payments received from the Madison County School Board. In addition, the County has undertaken in the Loan Agreement to consider appropriations from time to time to supplement such payments as necessary. The undertaking by the County to make the payments due under the Loan Agreement shall be a limited obligation of the County, payable solely from funds received from the Madison County School Board under the Lease Agreement and other funds to be appropriated by the Board from time to time for such purpose and shall not constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit of the County beyond any fiscal year for which the Board has lawfully appropriated from time to time. Nothing herein or in the Loan Agreement shall constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or taxing power of the County.

8. **Annual Budget.** The Board believes that funds sufficient to make payment of all amounts due under the Loan Agreement can be obtained. While recognizing that it is not empowered to make any binding commitment to make such payments beyond the current fiscal year, the Board hereby states its intent to make annual appropriations for future fiscal years in amounts, taking into account the lease payments received from the Madison County School Board, sufficient to make all such payments and hereby recommends that future Boards do likewise during the terms of the Loan Agreement. The Board directs the County's chief financial officer, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to include in the budget request for each fiscal year during the term of the Loan Agreement an amount sufficient to pay all amounts coming due under the Loan Agreement during such fiscal year. As soon as practicable after the submission of the County's annual budget to the Board, the County Administrator is authorized and directed to deliver to the Authority evidence that a request for an amount sufficient to make the payment of all amounts payable under the Loan Agreement has been made. Throughout the term of the Loan Agreement, the Administrator shall deliver to the Bank within 30 days after the adoption of the budget for each fiscal year, but not later

than July 1, a certificate stating whether an amount equal all payments coming due or payable during the next fiscal year has been appropriated by the Board in such budget. If at any time during any fiscal year of the County, the amount appropriated in the County's annual budget is insufficient to pay when due all amounts payable under the Loan Agreement, the Board directs the chief financial officer, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to submit to the Board at the next scheduled meeting, or as promptly as practicable but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

9. **Confirm the Essentiality of the Project.** The Project is hereby declared to be essential to the efficient operation of the County, and the County anticipates that the Project will continue to be essential to the operation of the County during the term of the Lease Agreement and the Loan Agreement.

10. **Make a Reimbursement Declaration.** The County has made and expects to make out of temporary funds certain expenditures in connection with the Project for which the County reasonably expects to be reimbursed as permitted by Treasury Regulation Section 1.150-2 issued pursuant to the Internal Revenue Code of 1986, as amended, from the proceeds of the Loan Agreement in an amount presently estimated not to exceed \$10,765,000.

11. **Registration and Transfer of the Bond.** The County appoints the County Treasurer as paying agent and registrar (the "Registrar") for the Bond. If deemed to be in the County's best interest, the County Administrator or the Chairman of the Board may at any time appoint a qualified bank or trust company, or another official of the County, as successor Registrar. The Bond may be transferred only by an assignment duly executed by the registered owner thereof in form satisfactory to the Registrar in exchange for a single, new Bond having an equal maximum principal amount, of the same form and maturity, and bearing interest at the same rates. Such transfer shall be made in the registration books kept by the Registrar, upon presentation and surrender hereof. The Registrar shall treat the registered owner as the person or entity exclusively entitled to payment of principal, premium, if any, and interest, and the exercise of all other rights and powers of the owner.

12. **Tax Provisions.** The Chairman of the Board, the County Administrator or the Director of Finance, each of whom is authorized to act, are authorized to execute a Tax Compliance Certificate or any related document (the "Tax Documents") setting forth the expected use and investment of the proceeds of the Loan Agreement and containing such covenants as may be necessary in order to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), including the provisions of Section 148 of the Tax Code and applicable regulations relating to "arbitrage bonds." The County covenants that the proceeds from the Loan Agreement will be invested and expended as set forth in the Tax Documents, to be delivered simultaneously with the issuance and delivery of the Loan Agreement and that the County shall comply with the other covenants and representations contained therein.

Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Loan Agreement, unless the County receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Loan Agreement from being included in the gross income for federal income tax purposes of the registered owners thereof under existing law. The County shall pay any such required rebate from legally available funds.

13. Other Actions. All other actions of County officials in conformity with the purposes and intent of this Resolution and in furtherance of the execution and delivery of the Loan Agreement are ratified, approved and confirmed. The County officials are authorized and directed to execute and deliver all certificates and other instruments considered necessary or desirable in connection with the execution and delivery of the Loan Agreement pursuant to this Resolution.

14. Effective Date. This Resolution shall take effect immediately.

Chairman of the Board of Supervisors of
Madison County, Virginia

ATTEST:

Clerk of the Board of Supervisors of
Madison County, Virginia

ADDENDUM
RESOLUTION # 2013-3

AMENDING THE COUNTY BUDGET
FOR FY2013 FROM \$33,750,767.00 TO \$40,434,522.00

WHEREAS, on the 17th day of April 2012 the Madison County Board of Supervisors adopted a Madison County Budget for Fiscal Year 2013 in the amount of \$33,750,767.00 and approved an annual budget appropriation in this same amount; and

WHEREAS, in accordance with Virginia Code Section 15.2-2507 (1950, as amended), the Board of Supervisors held a public hearing to amend the County Budget for Fiscal Year 2013 to add proposed financing for certain infrastructure improvements as set forth in the Madison County Capital Improvement Plan and to refinance the balance due on the County's Public Improvement Note, Series, 2008, issued for renovation of the Madison County Courthouse; and

WHEREAS, the Board of Supervisors of Madison County, Virginia has passed a Resolution, Authorizing and Approving the Execution and Delivery of a Lease Revenue Bond to Provide for the Acquisition, Renovation and Financing of Certain Public Facilities, in a Maximum Principal Amount Not to Exceed \$10,765,000.00; and

WHEREAS, the Madison County Budget for Fiscal year 2013 must be increased by \$6,683,755.00 to fund the anticipated expenditures through the 2013 budget year for the aforesaid purposes; and

WHEREAS, in accordance with the Memorandum of Understanding between the Madison County Board of Supervisors and the Madison County School Board dated August 13, 2012, the Madison County Board of Supervisors intends to appropriate up to \$5,673,755.00 in budget year 2013 to the School Budget to fund certain infrastructure improvements to Madison County High School and Wetsel Middle School; and

WHEREAS, the Madison County Board of Supervisors intends to appropriate up to \$1,010,000.00 to fund the final principal payment on the courthouse loan; and

NOW, THEREFORE, BE IT RESOLVED by the Madison County Board of Supervisors THAT the Madison County Budget for FY2013 is hereby amended and increased to \$40,434,522.00

ADOPTED this 14th day of January, 2013, on motion of Supervisor Lackey, seconded by Supervisor Weakley.

J. Dave Allen, Chairman
Madison County Board of Supervisors

	Aye	Nay	Abstain	Absent
J. Dave Allen	<u> x </u>	_____	_____	_____
Doris G. Lackey	<u> x </u>	_____	_____	_____
Jerry J. Butler	_____	<u> x </u>	_____	_____
Pete J. Elliott	_____	<u> x </u>	_____	_____
Jonathon Weakley	<u> x </u>	_____	_____	_____
Attest:				

Ernest C. Hoch, County Administrator